

THOMSON REUTERS

May 12, 2017

**VIA EMAIL**

Jeff S. Jordan  
Assistant General Counsel  
Complaints Examination & Legal Administration  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463  
Attn: Kathryn Ross, Paralegal  
[CELA@fec.gov](mailto:CELA@fec.gov)

*Re: Response to complaint submitted as to Reuters, MUR 7237*

Dear Mr. Jordan:

This letter responds to your April 28, 2017 correspondence to James C. Smith, CEO of Thomson Reuters, which we received at the earliest on May 1. Therein, you enclosed a complaint submitted to the FEC by Mr. Kerry D. Bowers, who identifies himself as a former Republican candidate for U.S. President ("the Complaint"). Your correspondence was directed to me in my capacity as Assistant General Counsel to Reuters, the news division of Thomson Reuters.

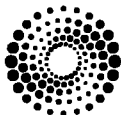
**For the reasons stated below, we respectfully submit that the Complaint is without merit and that no further action should be taken against Thomson Reuters.**

Mr. Bowers objects to a news story published by Reuters on March 22, 2015, see <http://www.reuters.com/article/usa-politics-cruz-idUSKBN0MI04G20150322> ("the News Story"), in which Reuters reported:

Republican Senator Ted Cruz plans to announce on Monday that he will run for president in 2016, the Houston Chronicle reported on its website. . . . He would become the first Republican presidential candidate to announce a run for the 2016 election.

Mr. Bowers asserts that the News Story constitutes an unlawful "contribution" to the Cruz campaign because it identifies Senator Cruz as the "first Republican presidential candidate," whereas Mr. Bowers had registered as a candidate prior to Senator Cruz. See Complaint at 1. This is simply incorrect as a matter of law.

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The News Story is not subject to the Federal Election Campaign Act. Instead, federal campaign finance restrictions contain an express exemption, known as the "press exemption," that protects the traditional role of the news media in reporting on political campaigns. H.R. Rep. No. 93-1239, 93rd Cong., 2d Sess. at 4 (1974) (exemption "assures the unfettered right of the newspapers, TV networks, and other media to cover and comment on political campaigns").

Under the press exemption, the costs incurred by news organizations in the creation of news are not subject to campaign finance restrictions. See 52 U.S.C.A. § 30101(9)(B)(i) (excluding from the definition of "expenditure" "any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate"); see also *Defining the Press Exemption from Campaign Finance Restrictions*, 129 Harv. L. Rev. 1384, 1384 & n.3 ("federal campaign finance restrictions do not apply to costs associated with producing news" (emphasis in original)).

No aspect of the News Story removes it from the application of the press exemption. Indeed, the regulation identified by Mr. Bowers is clear: "Any cost incurred in covering or carrying a news story . . . is not a contribution" and is therefore not regulated. 11 CFR § 100.73 (emphasis added).

Mr. Bowers refers to Section 100.73(b), presumably to suggest that the press exemption does not apply. However, Reuters is not "owned or controlled by any political party, political committee, or candidate." Thomson Reuters is a publicly-traded company, see, e.g., <http://www.reuters.com/finance/stocks/companyProfile?symbol=TRI.N>, and the hallmark of Reuters is its dedication to independent, unbiased news coverage, see *The Trust Principles*, <https://www.thomsonreuters.com/en/about-us/trust-principles.html>.

In sum, Reuters respectfully submits that this matter should be closed, and that no further action should be taken as to the Complaint.

This letter is not a full recitation of the facts related to this matter and is without prejudice to Reuters' rights, claims and defenses, all of which are expressly reserved.

Sincerely,

Katharine Larsen  
Assistant General Counsel